6 Federal Government Notification of Change

Overview

Notification of Change (NOC) is used to change and/or correct account information for Federal government transactions processed through the Automated Clearing House (ACH). Although the Federal government basically follows NACHA Operating Rules for NOCs, some of the data requirements for Federal government NOCs are not the same as those for commercial NOCs. The procedures contained in this chapter apply only to Federal government NOCs.

In this Chapter...

A. Introduction to Notification of Change

Notification of Change (NOC) is a method used by a financial institution to notify a Federal agency to correct or change account information in an entry the Federal agency processed through the ACH. Refer to the NACHA Operating Rules for formats and instructions.

Note: ENRs should not be used in place of NOCs to correct account information, unless the recipient is initiating a new Direct Deposit authorization or changing financial institutions.

When to use NOCs

NOCs are used for Federal government (both civilian and military) payments that are made on a recurring basis. Examples are:

Benefit Payments

- Department of Veterans Affairs
- Office of Personnel Management
- Railroad Retirement Board
- Social Security Administration
- Supplemental Security Income

Other Payment Types

- Federal salary
- *TreasuryDirect*
- Vendor and miscellaneous

When NOT to use NOCs

To change	Recipient must
Title/ownership of account	
Interest of the recipient or beneficiary in the account	
From one financial institution to another	Complete a new enrollment (ENR)
Account information for one-time payments (e.g., IRS Electronic Tax Refunds)	
Name of recipient (e.g. following marriage)	. . .Contact the Federal agency that authorized the payment.

Processing Timeframes

Generally, NOCs will be processed for the next ACH transaction. (Due to operational limitations, it may take two payment cycles for some NOCs to be processed. Treasury and the Federal agencies will continue to work to improve the NOC process.)

What to do if an agency does not respond to an NOC within two payment cycles

- Verify that the NOC was properly formatted. In particular, make sure that the NOC contained the correct original RDFI routing number.

- If the NOC was correctly formatted, contact your FMS Regional Financial Center (RFC) Customer Assistance Staff (CAS). See Chapter **8** for Contact information. The CAS will work with the agency for resolution.

- Make sure that rejected NOCs are acknowledged and resolved. (See below)

Questions? Contact the nearest FMS Customer Assistance Staff:

Austin . . . . (512) 342-7300

Kansas City . . . . (816) 414-2100

Philadelphia . . . . (215) 516-8015

San Francisco . . . . (415) 817-7300

Change Reason Codes

Due to limitations in the Federal government's disbursing systems, the government is only able to process the following six NOC codes: C01, C02, C03, C05, C06 and C07. At this time, these are the only authorized Change Reason Codes. Federal agencies will not process any others.

The following table shows when to use the Change Reason Codes.

Change Reason Code	Change Reason	When to Use
C01	Incorrect Account Number	Correct data entry errors in the account information.
		Issue a new number to an existing account.
		Modify the account numbering system (e.g., to drop a branch code).
C02	Incorrect Routing Number (RTN)	Accommodate a merger or system consolidation.
		Change the RTN to the preferred RTN for the financial institution.

When to use the Change Reason Codes (continued)

Change Reason Code	Change Reason	When to Use
C03	Incorrect RTN and Incorrect Account Number	Accommodate a merger or system consolidation.
C05	Incorrect Transaction Code	Change from checking to savings or savings to checking.
C06	Incorrect Account Number and Incorrect Transaction Code	Correct a data entry error in the account information, and change from checking to a savings or savings to checking. Issue a new account number and transaction code.
C07	Incorrect RTN, Incorrect Account Number and Incorrect Transaction Code	Accommodate a merger or system consolidation.

Note: *The only Transaction Codes recognized by the Federal government for NOCs are:*

For checking (demand)	For savings
22 (credit)	32 (credit)
27 (debit)	37 (debit)

Claim Number Structure

Federal agencies have special structures for their claim numbers (Individual ID number). The claim number is important to identifying the payment recipient whose payment information must be changed.

Accurate formatting of the claim number is critical for processing changes. Note that pattern differences exist between Federal agencies. These claim numbers must include all spaces, hyphens, prefixes, suffixes, alphanumeric characters, and trailing or leading zeros that accompanied the original payment information.

Claim Number Structure Table

The following table represents correct claim number structures used in formatting NOCs.

Agency	Claim Number Structure	Example
Social Security Administration	999999999XXbSSA	123456789C1_SSA
	999999999XbbSSA	123456789A_ _SSA
	999999999bbbSSI	123456789_ _ _ SSI
Office of Personnel Management	Xb9999999bXbXXX	F_1234567_W_CSF
	Xb9999999b9bXXX	A_1234567_0_CSA
Department of Veterans Affairs	999999999b99b99	162306890_10_01
	99999999b99b99	12345678_00_06
Railroad Retirement Board		
Retirement/Annuity	XXX999999999b9b	WCA123456789_7_
	Xbb999999bbbb9b	A_ _123456_ _ _ _1_
	XXbZZZZZ9bbbb9b	WD_000006_ _ _ _8_
Unemployment/Sickness	bbb999999999	_ _ _123456789
Department of Labor	999999999XXbXXb	123456789LW_MB_

Key: X = alphanumeric,   9 = numeric,   b = blank,   Z = zero filled,   _ = space

B. Other Change Methods

NOC will replace all other change methods in the near future. Meanwhile, financial institutions not using NOCs may continue to submit:

• corrected Direct Deposit Sign-Up Forms (SF 1199As) to Federal agencies, or

• letters to Federal agencies requesting changes

Financial Institution Actions

The table below contains instructions for financial institutions not using NOCs.

Type of Payment	Less than 100 payments, SUBMIT corrected photocopies of SF 1199As or letters to:	More than 100 payments, CONTACT
Air Force		
Active Duty	Defense Finance and	
Reserve	Accounting Service	(303) 676-7171
Air National Guard	Denver/JFBA	
───────────────	6760 E. Irvington Place	───────────────
Active Duty Allotments	Denver, CO 80279-3000	(303) 676-7213
Army		
Active Duty	DFAS-Indianapolis Center	(317) 510-2601
Reserve	8899 E. 56th Street	
Active Duty Allotments	Indianapolis, IN 46249-2801	

Instructions for financial institutions not using NOCs (continued)

Type of Payment	Less than 100 payments, SUBMIT corrected photocopies of SF 1199As or letters to:	More than 100 payments, CONTACT
Bureau of the Public Debt		
Federal Housing Administration Debenture Payments	Federal Reserve Bank of Philadelphia Fiscal/FHA Processing Desk P.O. Box 90 Philadelphia, PA 19105	(215) 574-3773
TreasuryDirect	Bureau of the Public Debt Customer Assistance Branch P.O. Box 426 Parkersburg, WV 26102-0426	(304) 480-7591
	Note: *Financial Institutions should submit system wide changes to TreasuryDirect with the understanding that they agree to pay the Treasury and security owners for any losses resulting from errors made by the institution. (31 CFR Part 370.12*)	
Savings Bonds Agent's Fees	Bureau of the Public Debt Classification and Reports Section P.O. Box 1328 Parkersburg, WV 26106-1328	(304) 420-6248
Series H/HH Savings Bond Interest Payments	Bureau of the Public Debt Current Income Bond Branch Parkersburg, WV 26106-2186	(304) 420-6112
State and Local Government Series Securities Payments United States Mortgage Guaranty Insurance Company Tax and Loss Bonds Payments	Division of Special Investments P.O. Box 396 Parkersburg, WV 26106-0396	(304) 480-7752

Instructions for financial institutions not using NOCs (continued)

Type of Payment	Less than 100 payments, SUBMIT corrected photocopies of SF 1199As or letters to:	More than 100 payments, CONTACT
Coast Guard Active Duty	Commanding Officer (Code PS) US Coast Guard Pay and Personnel Center 444 SE Quincy Street Topeka, KS 66683-3591	(913) 295-2910
Reserves	Commanding Officer (Code RES) US Coast Guard Pay and Personnel Center 444 SE Quincy Street Topeka, KS 66683-3591	(913) 295-2910
Retired	Commanding Officer (Code RPD) US Coast Guard Pay and Personnel Center 444 SE Quincy Street Topeka, KS 66683-3591	(913) 295-2657
Department of Veterans Affairs Veterans Compensation, Pension or Education (MGIB)	VA Regional Office which maintains the veteran's records	1 (877) 838-2778
Veterans Life Insurance		(215) 842-2000 ext. 14270
Federal Salary and Allotment payments (including payments by the military to civilian employees)(FED SALARY)	Federal employing agency authorizing the payment (address where original SF 1199As were mailed). If address is unknown, contact recipient/member.	
Marine Corps Active Duty Reserve Active Duty Allotments	DFAS - Kansas City Center 1500 E. 95th Street Kansas City, MO 64197-0001	(816) 926-5726

Instructions for financial institutions not using NOCs (continued)

Type of Payment	Less than 100 payments, SUBMIT corrected photocopies of SF 1199As or letters to:	More than 100 payments, CONTACT
Navy Active Duty Reserve	DFAS - Cleveland Center/JFECA 1240 East Ninth ST. Cleveland, OH 44199-2055	1 (800) 321-1080
Retirement Pay Army, Air Force, Navy and Marine Corps	DFAS - Cleveland Center Retired Pay Operations P.O. Box 99191 Cleveland, OH 44199-1126	1 (800) 321-1080 fax: 1 (800) 469-6559
Office of Personnel Management Civil Service Retirement (Annuity) (CIVIL SERVE)	Office of Personnel Management Retirement Operations Center P.O. Box 45 Boyers, PA 16017	1 (888) 767-6738 fax: (724) 794-6633
Railroad Retirement Board Railroad Retirement (RR RET)	Railroad Retirement Board Direct Deposit Coordinator 844 North Rush Street Chicago, IL 60611	(312) 751-4704

C. Refused Notification of Change

Refused NOC is an automated method used by a Federal agency to notify the originating depository financial institution that the NOC information initiated cannot be processed.

Federal Agencies Using Refused NOCs

The Social Security Administration (SSA), the Railroad Retirement Board (RRB), and the Office of Personnel Management (OPM) are the only Federal agencies processing Refused NOCs at this time.

Processing Timeframes

NOCs that cannot be processed are usually refused to the financial institution before the next payment is submitted.

Refused NOC Codes

There are six refused NOC codes authorized for Federal government ACH entries: **C64**, **C65**, **C66**, **C67**, **C68**, **C69**.
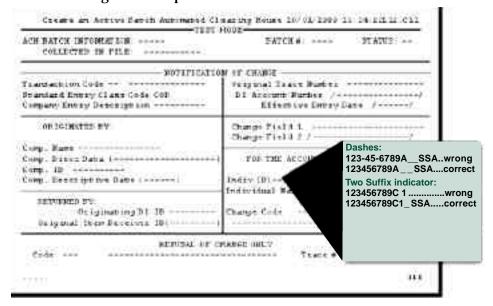
The table below shows the refused NOC code and the reason why the original NOC was refused.

Code	Reason
C64	Incorrect individual identification
C65	Incorrectly formatted corrected data
C66	Incorrect discretionary data
C67	Routing Number not from original Entry Detail Record
C68	DFI Account Number not from original Entry Detail Record
C69	Incorrect Transaction Code

D. Common Errors with NOCs

The following examples illustrate typical errors made during the preparation of NOCs. Correct formatting of the highlighted information in the examples will help ensure timely processing of the NOCs by the Federal government. Please note that the NOC screens used in the examples are from the Federal Reserve's FedLine® system. Other ACH processing software screens may differ and you should check with your ACH software provider for further information.

The following are examples of common errors that occur in the "For the Account Of" box:

Dashes:
123-45-6789A__SSA..wrong
123456789A __ SSA....correct
Two Suffix indicator:
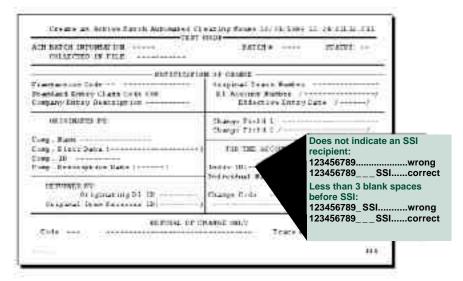123456789C 1 ....wrong
123456789C1_ SSA.....correct

FedLine® is a registered trademark of the Federal Reserve Banks.

- Error #1 is the insertion of dashes into the Social Security Number.
- Error #2 is not leaving a blank space and then indicating SSA. (For SSA payments, there should be three characters and/or spaces between the last digit of the Social Security Number and the letters "SSA".)

Note: These errors will cause a C64 reject.

The following are more examples of common errors that occur in the "For the Account Of" box:

- Error #1 is not indicating if the recipient is an SSI recipient.
- Error #2 is leaving less than three blank spaces before indicating SSI. (For SSI payments, there should be three blank spaces between the last digit of the Social Security Number and the letters "SSI".)

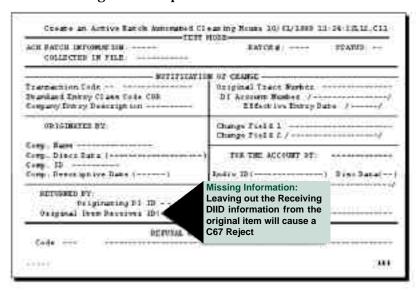*Note:* These errors will cause a C64 reject.

The following are examples of common errors that occur in the "Change Field" box:

- Error #1 occurs when the account number has spaces in it.
- Error #2 occurs when the English language is used.
- Error #3 occurs when using CO3 (incorrect Routing Number and incorrect DFI account number) and the account number is in Change Field 1 instead of the Routing Number. When changing both the Routing Number and the account number, the Routing Number must appear in Change Field 1 and the account number in Change Field 2.

Note: These errors will cause a C65 reject.

The following are examples of common errors that occur in the "Returned By" box:

- Error #1 is an RTN problem (Receiving DI ID information from the original item is missing).

Note: These errors will cause a C67 reject.